

From: Marsh, Karen

Sent: Wednesday, January 24, 2018 03:10 PM

To: Mia, Marcia; Owens, Katharine

Subject: RE: Definition of "Reconstruction" for Quad Oa well site/fugitives

Hit send too soon. A couple of ADs

**Ex. 5 Deliberative Process (DP)**

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Karen R. Marsh, PE

US EPA, OAQPS, Sectors Policies and Programs Division

Fuels and Incineration Group

109 TW Alexander Drive, Mail Code E143-05

Research Triangle Park, NC 27711

Direct: (919) 541-1065; email: marsh.karen@epa.gov

From: Marsh, Karen

Sent: Wednesday, January 24, 2018 10:09 AM

To: Mia, Marcia <Mia.Marcia@epa.gov>; Owens, Katharine <Owens.Katharine@epa.gov>

Subject: FW: Definition of "Reconstruction" for Quad Oa well site/fugitives

Marcia and Katie,

We received a question on reconstruction for fugitives at a well site. Below is my thought process. I wanted to run this by you as well before responding.

§60.15(b)

"Reconstruction" means the replacement of components of an existing facility to such an extent that:

(1) The fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable entirely new facility, and

(2) It is technologically and economically feasible to meet the applicable standards set forth in this part.

§60.5365a(i)

Except as provided in §60.5365a(i)(2), the collection of fugitive emissions components at a well site, as defined in §60.5430a, is an affected facility.

## Ex. 5 Deliberative Process (DP)

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US EPA, OAQPS, Sectors Policies and Programs Division

Fuels and Incineration Group

109 TW Alexander Drive, Mail Code E143-05

Research Triangle Park, NC 27711

Direct: (919) 541-1065; email: marsh.karen@epa.gov

From: Thompson, Lisa

Sent: Monday, January 22, 2018 8:40 AM

To: Maggie Scher <maggieairbasics@comcast.net>

Cc: 'Meghan Way' <meghan@airbasics.biz>; Marsh, Karen <Marsh.Karen@epa.gov>

Subject: RE: Definition of "Reconstruction" for Quad Oa well site/fugitives

Hi Maggie -

I've referred your question to our fugitives lead - Karen Marsh - who is copied here.

Thanks,

Lisa

From: Maggie Scher [mailto:maggieairbasics@comcast.net]  
Sent: Thursday, January 18, 2018 12:54 PM  
To: Thompson, Lisa <Thompson.Lisa@epa.gov>  
Cc: 'Meghan Way' <meghan@airbasics.biz>  
Subject: Definition of "Reconstruction" for Quad Oa well site/fugitives

Hello, Lisa -

There's a lot of information on the definition of Modification in Quad Oa, particularly for the fugitives requirements at well sites.

But not much on Reconstruction.

In order to determine whether component replacement costs have exceeded 50% of the cost to construct anew, we need to know what we are comparing against. The affected facility for these requirements (with some exceptions), is -

"The collection of fugitive emissions components at a well site." (§60.5365a(i)). This includes (but is not limited to) -

- Valves
- Connectors
- Pressure relief devices
- Open-ended lines
- Flanges
- Covers and closed vent systems not otherwise subject to [the cover and closed vent system emissions routing requirements in §60.5411a]
- Thief hatches and other openings on a controlled storage vessels not otherwise subject to §60.5395a [i.e. 95% control if 6 tpy or more]
- Compressors
- Instruments
- Meters.

In other words, it's a whole lot of little pieces and parts. Is the "affected facility" the same as the "existing facility" in 40 CFR §60.2?

To give you a specific for instance, if an operator replaces a separator at an existing

facility after 9/18/15, does this trigger a Quad Oa reconstruction?

If we compare the cost of the separator to the total costs of ALL the equipment at the facility (including wellheads, storage vessels, everything), it's probably less than 50%.

If we compare the cost of the separator to the total costs of equipment not including storage vessels (because they are covered elsewhere in the Quad Oa rule), then we have to do a lot more research.

If we compare the costs of only the components on the separator (valves, connectors, PRDs but NOT pneumatic controllers) against the cost of all components at the well site, we will have to do a research project. Multiply this by wellsites across the US...

If you can point me to one or more guidance documents that discuss this, I would be happy to do the research. Also happy to talk, if that's easier.

Thank you,

Maggie Scher

Air Basics, Inc.

303-868-1925

(Air Basics provides air quality consulting services for clients, primarily in the petroleum production industry.)